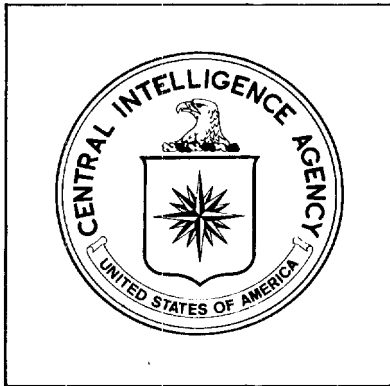


Top Secret

No Foreign Dissem

HR



STAFF NOTES:

**Middle East
Africa
South Asia**

Handle via COMINT Channels

Top Secret

128

SC No. 04353/75
January 16, 1975

No Foreign Dissem/Controlled Dissem

Warning Notice

Sensitive Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

Classified by 005827

Exempt from general declassification schedule
of E.O. 11652, exemption category:

§ 5B (1), (2), and (3)

Automatically declassified

on: Date Impossible to Determine

MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

C O N T E N T S

25X1D

Ghana: The Junta's Third Anniversary	3
Africa: Increased Oil Prices Pose a Threat to Development	4

Jan 16, 1975

25X1D

Approved For Release 2001/07/30 : CIA-RDP79T00865A000100370001-1

Next 1 Page(s) In Document Exempt

Approved For Release 2001/07/30 : CIA-RDP79T00865A000100370001-1

TOP SECRET UMBRA

Ghana

The Junta's Third Anniversary

Ghana's National Redemption Council, the military junta that ousted the civilian government of Dr. Kofi Busia, observed its third anniversary on January 13 on a generally subdued and defensive note.

The most noteworthy aspect of the anniversary celebration was an announcement by Colonel Acheampong--the council chairman--that an officer of the disgruntled Ewe tribe had been appointed to head the 3,000-man border guard unit. Acheampong's closest advisers had been pressing him to ease his longstanding dispute with this important tribe by naming a troop commander from the Ewes.

In a pre-anniversary day press conference, Acheampong discounted rumors of serious splits among the council members and announced guidelines for the regime's long promised five-year development plan. He also said that there was sufficient civilian participation in the government and that Ghana was not facing a deteriorating foreign exchange situation.

Acheampong began 1974 with confidence and a reasonably high degree of popular acceptance. He still appears to have sufficient support to maintain control for now, but he has lost some prestige.

Despite his disclaimers at the press conference, the ruling council remains divided by personal, tribal, and policy issues. Recently, these differences threatened to get out of hand and in fact provoked a short-lived coup plot by a handful of dissident Ewe officers. The regime also faces increasing public criticism triggered in part by worsening inflation and consumer shortages. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

25X1A

Jan 16, 1975

3

TOP SECRET UMBRA

TOP SECRET UMBRA

Africa

Increased Oil Prices Pose a Threat to Development

Preliminary estimates from a cross section of sub-Saharan African oil importing countries indicate that their combined trade deficit doubled in 1974. Fortuitous price increases for many major African exports prevented a much more serious deficit. Payments for oil imports tripled, rising from about 8 percent to 16 percent of the total import bill. Increased foreign grants and indebtedness were the principal means of financing the larger deficits.

Sub-Saharan countries will have to continue increasing their dependence on foreign aid in 1975 just to stay even with import costs. The partial relief provided by the high prices paid for exports is already evaporating as the disarray in developed economies reduces the demand for these exports. Growing amounts of foreign aid required to finance imports for current consumption may erode development funding, damaging the countries' long-term economic potential. Inflationary rises in consumer prices, prompted largely by the high oil prices, already have affected the welfare of most urban Africans.

So far, the increased foreign aid for sub-Saharan countries has come mainly from traditional European donors. Most former French territories, for example, have regularly covered their deficits by borrowing from France, effectively transferring the burden of the increased oil prices to Paris. As the year progressed, several countries also began borrowing from the International Monetary Fund Oil Facility and from the Arab Fund for Africa. Although Arab aid sources probably will increase in importance in 1975, Europe will continue to provide most aid.
(CONFIDENTIAL)



Jan 16, 1975

4

TOP SECRET UMBRA

25X1A

Top Secret



Top Secret